

## FREQUENTLY ASKED QUESTIONS REGARDING SPENDING AUTHORITY REDUCTION LETTERS TO GRANTEES

**Q1: What is the difference between this letter and a cut to funding?**

A1. Due to potential reductions in state funds, this (spending authority letter, signed by Dan McConnon, sent yesterday) reduces the spending authority for OCVA grants. This is not a budget reduction. There is no amendment to your grant. What has been restricted is the percent of your total budget that you are able to spend.

This is a precaution for an anticipated budget reduction by the Legislature. If the Legislature decides to reduce funding and the Governor signs the final budget, we will have to “turn back” a certain amount of state general fund money. Commerce needs to make sure there will be enough unspent money in grants to turn back in. There will be very little time in which to return this money, so we want agencies to begin to think about and make adjustments as they can now – in order to lessen the impact when the final decision is made.

**Q2: If the Legislature decides to cut grants, what happens then?**

A2. Once the Legislature decides, through the 2012 Supplemental Budget, and the Governor signs that budget, we will begin to notify grantees of the final reduction amount. We will contact you about revisions to your grant budget for SFY 2012 (ends June 30, 2012). Your grant will be amended to reflect the change in the budget.

**Q 3: Will OCVA and Coalitions take the same kind of cut as grantees?**

A3. First, let's recap where we have been, where we are, and where we think we are going. Since SFY 2008, there have been reductions to state general funds. Programs within OCVA have all experienced reductions to state general funds. However, no grantee administered by OCVA (including coalitions) was actually reduced in the total dollar amount in their grant due to reductions in state funds. We have offset those reductions 3 times by increased federal awards to hold agencies harmless.

OCVA has taken all three of those prior budget reductions. Over the past three years, OCVA state administrative funds have been reduced by close to 20%. Any reduction in state general funds will be in addition to previous reductions we have absorbed and we assume will reach a total of nearly 40% over three years.

While we have been able to offset previous reductions to grantees, we cannot do so again if the reductions are at the level currently proposed. No one will be exempt from these state general fund reductions.

Q4: What about specific line item restrictions given the spending authority reduction?

A4. We don't want to do actual budget amendments, nor do you want to receive actual budget amendments based on something that will likely happen, but for which we don't know final dollar amounts. Thus, we are not making adjustments to individual line items at this time. We are assuming everyone is making a good faith effort to do the best you can under the circumstances. Once we know final budget reductions, we will begin negotiations with you to adjust line items and finalize your revised budget.

NOTE: For sexual assault grantees where you have budgets for core, for specialized, for prevention, etc. You must adhere to the total spending limit per each budget (core, specialized, prevention, etc). So, the freedom to not worry about individual line items applies within a specific budget category.

Q5: What about the requirement to have at least a .5 FTE?

A. We recognize that for those of you who have this requirement –it may not be mathematically possible to meet this within the current spending authority restriction. Again, we are assuming everyone is making a good faith effort and doing the best you can under the circumstances. Make what adjustments you need to make.

Q6: For my Sexual Assault grant, does the 14% reduction apply to each category in the budget (core, specialized, prevention, etc)

A. Yes. (See also Q&A 4 above).

Q7: When will we know what the final budget amount is?

A. Special Session will begin on Nov. 28 and is scheduled for 30 days. The 2012 Legislative Session begins on Jan. 9 and is a 60 day session. While the plan is for the budget to be settled and decided in the Special Session, that may not occur. The end of the Special Session is likely to be the earliest point at which we will see a final budget.

Q8: Does the budget reduction, when it happens, impact this year's grants? Next year's grant also?

A. Yes, the biennium is made up of two fiscal years. We are currently in the middle of the first year of the biennium. Any budget reductions made in Session will be attributed to both fiscal year one (July 1, 2011 – June 30, 2012) and also to fiscal year two (July 1, 2012 – June 30, 2013). That is why it becomes really important to have a plan ready for the final decision – so we can have as much time as possible left in the fiscal year for agencies to adjust to a reduced grant amount.